

LEHIGH VOTES NEW STOCK

401,111 \$30 SHARES TO BE ISSUED TO STOCKHOLDERS AT PAR.

Authority Given to Double the \$40,000,000 Capital—President Thomas Tells of Same of the Immediate Under Which Railroads Labor Nowadays.

Following a meeting of the stockholders of the Lehigh Valley Railroad Company in Philadelphia yesterday the directors immediately authorized the issue of \$40,000,000 of new stock, to the amount of half the authorized amount of the authorized issue, \$80,000,000, is reserved. Payments upon stock may be made at the rate of 25 per cent. each month until October or may be made in full at this time. Wall Street reckons the allotment as worth about \$40 a share to holders entitled to subscribe.

The stockholders' meeting was for the purpose of voting an increase of capital stock from a little over \$40,000,000 to \$80,000,000. President Thomas said that the Lehigh described to the stockholders the financial policy of the Lehigh in the past and outlined for them the recommendations of their directors for future action.

"When the present management became identified with your property," said he, "the company had neither credit nor cash. In fact its resources were so limited in January, 1903, that there were exactly funds sufficient to pay the wages of employees, while the uncertainty of raising enough cash to pay the interest on the funded debt soon led to a state of grave concern. Even the piles of coal at stockpiling points had been pledged for a loan."

Mr. Thomas reviewed the measures that were taken to rehabilitate the credit of the company when the stock was below par and the laws of Pennsylvania prohibited selling of new stock below par. An issue of bonds had seemed the most feasible plan, and the efforts also made to increase the earning capacity of the property and to reduce operating expenses had been successful.

It was thought most conservative at that time to finance the increase of the company by selling stock to the stockholders.

"The need of funds for capital expenditures by railroads was perhaps never greater than at the present time," said Mr. Thomas. "With the exacting demands upon railroads for prompt and adequate service, with the restrictive laws as to methods of transportation, hours of service, etc., with the multitude of new and restrictive regulations imposed by the different commissions relative to the various phases of the transportation business, which have imposed burdensome duties on carriers, and with the requirements of labor for increased rates of wages there is a serious and constant increase in the cost of operation. This can only be partly offset by the most modern facilities and equipment, the construction of additional third and fourth track and increasing the speed of the trains in the movement of traffic."

Terminals had to be enlarged too to maintain the position of the company with the shipping public. Passenger improvements and regulations had to be constantly developed. Reduction in operation was the way of offsetting this increase in expenses.

It has been the policy of the management to make liberal expenditures, said Mr. Thomas, for the rebuilding and improving of the company's property, and this policy will continue unless the unfortunate conditions now surrounding the railroads of the country become so serious that a more conservative policy is imperative. During the first ten months of the present fiscal year over \$3,300,000 has been expended for new equipment, additional tracks and the general improvement of the property. There have been authorized and are now under way further similar improvements estimated at the sum of \$9,770,000. In addition to these improvements the company will have to provide for the retirement on September 1 next of \$6,000,000 second mortgage 7 per cent. bonds, which will relieve it of an annual fixed charge of \$420,000.

There is in contemplation, provided the future business of the company will justify it, the further expenditure of several millions of dollars for extending the third and fourth track system of the company, \$4,000,000 to \$5,000,000 for the acquisition of additional terminals and the construction of low grade lines for the anthracite coal region for the movement of westbound coal to the main line to do away with the existing heavy grade, which, it is estimated, will cost from \$2,000,000 to \$3,000,000. These expenditures ought not to be deducted from the net income of the company, and it is obviously necessary therefore to adopt a financial plan that will provide the company with the needed funds."

CLAIMS WERTHEIMER ASSETS.

James Talcott Believes His Advances Cover All the Goods.

Some interesting legal points have developed in the bankruptcy proceedings brought on June 10 against Wertheimer & Co., glove manufacturers, of 50 Fifth avenue, which Henry Melville, the receiver, is investigating. James Talcott, commission merchant, insists that \$270,000 is due him from Wertheimer & Co., that the place and goods at 50 Fifth avenue belong to him, that he has the lease and that he paid the rent. The business between Mr. Talcott and Wertheimer & Co. has been going on for over twenty years. Mr. Talcott testified that he made advances on the goods manufactured by Wertheimer & Co. on a basis 54 per cent. of the nominal selling price, and when the goods were sold Mr. Talcott advanced about 50 per cent. on the accounts less the 54 per cent. previously advanced on the goods. When the goods were sold by Wertheimer & Co. Mr. Talcott said that he was bought of James Talcott, Wertheimer & Co. Defendant. Mr. Talcott believes that all of the goods at 50 Fifth avenue are covered by his advances.

Central 4 1-2-20 All Sold.

Wall Street learned yesterday that the \$2,500,000 New York Central 4 1/2 per cent. equipment trust offered by J. P. Morgan & Co., the First National Bank and the National City Bank have all been sold on a basis of 10 per cent. Notice of the offering of these bonds was given out on Tuesday. The reports had it that at least half of these certificates had been disposed of abroad and that those maturing within the next few years had been purchased in Paris, while the longer maturities had found a market in London. Some of them also will go to Germany.

Charles H. Sablin Goes to Guaranty Trust.

Charles H. Sablin has been elected vice-president of the Guaranty Trust Company to take the place of Charles H. Allen, who was recently made treasurer of the American Sugar Refining Company. President McGarragh of the Mechanics and Metals National Bank, in which Mr. Sablin is held an office, has resigned, and yesterday that he regretted the loss of Mr. Sablin for his institution, but that he hoped of course could not do other than accept the opportunity. Mr. Sablin is a director of the bank.

The Wall Street "Evening Sun."

The Wall Street edition of THE EVENING SUN contains all the financial news and the stock and bond quotations to the close of the market. The closing quotations including the "bid and asked" prices, with editorial news matter, are contained also in the night edition of THE EVENING SUN.

We have prepared a special circular describing several issues of SHORT TERM SECURITIES

Yielding 4 1-2% to 5 3-4%

which we recommend for safety, ready convertibility into cash and high rate of yield.

We shall be glad to send a copy of this circular upon request.

LEE, HIGGINSON & CO

New York BOSTON Chicago

HIGGINSON & CO

London

GOSSIP OF WALL STREET.

Computations of July dividend and interest disbursements are to the effect that the Lehigh will pay \$2,500,000, a new high record mark for the month and an advance of last year by \$1,070,000. Preparations by the banks for these disbursements are already being made, and in view of the high state of reserves at this centre it is not expected that anything more than a slight reduction of the money rate yesterday will result. The call money rate yesterday ruled at 2 1/2 per cent. an advance over the recent daily average.

The Western Pacific has declined yesterday on the curb to a new low record for the last two years. The interest on these bonds is guaranteed by the Denver and Rio Grande, which owns two-thirds of the stock of the road.

The net change in the average price of stocks yesterday was for the first time in two weeks larger than a point.

Speculative Wall Street attaches particular significance to the course of Consolidated Gas stock, as it is a common belief that movements in these shares represent the attitude toward the stock market of some of the largest financial interests. Consolidated Gas has lately taken a place among the most active issues in the market, and its particular strength yesterday, accompanied by an upward movement in other stocks also supposed to be under the dominance of the same people, was the subject of considerable remark.

The first crop score of the season occurred in May when the preliminary report showed a shortage of from 30,000,000 to 100,000,000 bushels. At this time, mainly by the efforts of the so-called Patten interests, wheat futures were forced up to the high level of the season. On a worldwide improvement in crop prospects a tremendous wave of liquidation swept prices down 10 cents a bushel in a few days and until last week grain prices had declined practically ever since. The liquidation was so thoroughgoing as to bring the quotations for wheat futures down from 15 to 20 cents and to a level about 30 points below what they were a year ago. A general opinion that the speculation for the fall had been carried to extreme lengths was perhaps the current explanation of the highly unusual spectacle in the last few days of a strong stock market in the face of a violent advance in grain quotations.

In a state of affairs like that at present prevailing in the Northwest it is no uncommon thing for exaggerations to reach Wall Street. In fact Wall Street expects them and duly allows for the well known reluctance of the farmers, even under the best of conditions, to admit that things are not with their crops or to take other than a most dismal view. It was reserved for yesterday, when the general run of despatches from the Northwest told of a more encouraging situation there, for the following burst of despair to find its way into print. The consensus of local opinion is that spring wheat crop is damaged 25 per cent., with a loss of 50 per cent. likely unless soaking rains come within a fortnight."

The effect of the crop scare in the Northwest upon the grain markets was notable. On Tuesday the price of the July option stood at 90 1/2, a net gain of 7 1/2 cents as compared with the low of the previous week. September at 90 1/2, a gain of 9 1/2 cents, and December at 100, a gain of 10 1/2 cents. Corn futures rose sympathetically from 2 1/2 to 2 3/4 cents. The improved aspect of the situation yesterday caused a sharp reaction from these high figures, July wheat falling 2 1/2 cents and September and December 2 1/2 cents. Corn futures suffered a smaller loss.

The drop of London discounts yesterday to the lowest point since last September made a lot of people in Wall Street wonder what the Bank of England would do to-day. Discounts yesterday fell under 2 per cent. and it has been a long time since the Bank of England has approached that mark. Already this month that institution has made two cuts—on June 2 from 3 1/2 to 3 per cent., and on June 9 from 3 1/2 to 3 per cent. Another cut would be out of the ordinary, but that was what the market was expecting, particularly because the Bank of England's reserve last week was larger than for anything like four years, and even this was increased on Monday by the arrival of more gold from South Africa.

The railroad situation is clearing. Shippers and railroad men are getting together and are talking things over more calmly, with the result that each party is obtaining a better understanding of the other's requirements and limitations. On Tuesday word came from Chicago that the packers were convinced that the railroads were justified in raising certain rates and had agreed to accept advances in the charges for transporting meat products. Yesterday President Delano of the Wabash in an optimistic interview expressed the opinion that other big shippers would soon fall in line.

London and Paris have all taken a more cheerful view of the railroad rate situation than have local financial centers. Indeed at the present time the demand for European securities is said by international bankers to be almost as strong as it was before the Attorney-General got out his injunction against the Western roads. As one banker expressed it: "The Continent places great faith in the stability of America's governmental institutions. When it seems apparent that the move of the Attorney-General did not mean anything of the kind, the Government was opposed to all freight increases, but instead was made merely to bring the proposed new tariffs before the Interstate Commerce Commission. European bankers were relieved of whatever anxiety they may have entertained. For, they argued, the commission is known to be a just body, seemingly open to reason, and ready and willing to approve increases in rates if the railroads are able to justify them."

The action of the Lehigh Valley directors in raising funds by the sale of new stock to shareholders marks a new departure in the financial policy of that company. In previous years the Lehigh Valley has been held out for the rescue by additions and betterments and for retiring its obligations as they matured was forced to resort to sales of bonds, for the reason that the statutes of Pennsylvania forbid the sale of stock at less than par, and until recent years the Lehigh Valley has been a 100 per cent. stock company. Now, however, the financial standing of the road is such that its stock sells well above par and the opportunity to subscribe to new stock at 20 is a valuable privilege.

Three Day Stock Exchange Holiday.

The Stock Exchange will be closed on Saturday, July 2. So will the Copper Exchange.

GAS AND ELECTRICITY ASSETS.

P. S. Fitcher Vice Consolidated Co. \$142.

488,461 and Edison Co. \$135,200,142.

For several months Dr. A. F. Weber, chief statistician for the Public Service Commission, has been compiling data showing the assets and liabilities of the light, heat and power companies of the city. His report, made public yesterday, shows that on December 31 last the total assets of the Consolidated Gas Company were \$142,435,681 and that the assets of the New York Edison Company, which the Consolidated controls, were \$135,200,142.

It is stated in the report that practically all of the capital stock of the New York Edison Company, amounting to \$45,000,000, is owned by the Consolidated Company. According to the report this sum is not held at par on the books of the company but only at about \$100,000,000.

The Edison company had a larger amount of cash on hand than any other company in the Consolidated system, \$3,781,908. The parent company had \$1,568,021. The New Amsterdam ranks third in the system as regards assets, the total being \$46,000,000.

Another report deals with the Brooklyn Union Gas Company, which had assets of \$44,304,732, and with the Edison Electric Illuminating Company of Brooklyn and the Kings County Electric Light and Power Company. The Edison is the operating company with assets of \$10,065,265, while the Kings County exercises financial control and has assets of \$18,811.

A third report covers the subway conduit companies. According to Dr. Weber, the Consolidated Telegraph and Electric Subway Company has assets of \$15,432,311 and the Empire City Subway Company \$1,012,000.

TRAILING MOTOR CARS.

Other Spitzer Called as Witness in a Bankruptcy Case.

Oliver Spitzer, the convicted sugar employee whom President Taft pardoned that he might be qualified to testify in the recent trial of James H. Reid and others in the United States Circuit Court, was a witness yesterday before United States Commissioner Alexander in a hearing in the bankruptcy proceedings instituted against the New Amsterdam Motor Car Company at 122 West Fifty-seventh street. Just before that company went into bankruptcy it had been asserted that George B. Crawford of the Crawford Automobile Company at Hagerstown, Md., received seven or eight cars from the New Amsterdam company's garage and had them stored in the Prospect Park Garage in Brooklyn, of which Spitzer is the manager. Spitzer testified that Mr. Crawford had asked him to store the cars but that there was no room for them. He suggested that they be taken to the garage of the Long Island Storage Company in Long Island City, and he supposed that they were taken there.

MARINE INTELLIGENCE.

MENTARIER ALMANAC THIS DAY.

Sun rises. 5:52. Moon rises. 4:45.

Sun sets. 7:50. Moon sets. 11:45.

Sandy Hook 7:30. Island. Her Gate. 8:05.

Arrived—Wednesday, June 22.

St. Catharine, Liverpool, June 22.

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Lehigh Valley Railroad Company

OFFICE OF THE SECRETARY

228 SOUTH THIRD STREET

PHILADELPHIA, Pa., June 23, 1910.

To the Stockholders:

At a meeting of the Board of Directors, held this day, the following resolution was adopted:

Resolved, That the privilege of subscribing pro rata at par for 404,441 shares of the common capital stock of this company of a par value of \$20,220,250 be and hereby is offered to the holders of the common and preferred capital stock to the amount of fifty per cent. of their holdings as they stand registered on the books of the Company at 3 p. m. June 30, 1910, subject to the following regulations:

The terms of subscription will be as follows:

Payments may be made in four instalments or they may be made in full, viz.:

The first instalment of 25%, or \$12.50 per share, at the time of making the subscription between July 15 and July 31, 1910, inclusive.

The second instalment of 25%, or \$12.50 per share, between August 15 and August 31, 1910, inclusive.

The third instalment of 25%, or \$12.50 per share, between September 15 and September 30, 1910, inclusive.

The final instalment of 25%, or \$12.50 per share, between October 15 and October 31, 1910, inclusive.

Stockholders so desiring may make payment in full at the time of making the subscription between July 15 and July 31, 1910, inclusive, but not later.

Warrants will be issued by the Secretary to each stockholder of record as of June 30, 1910, specifying the amount of stock which each stockholder is entitled to subscribe for under this privilege. Stockholders who may not desire to avail themselves of the privilege of subscribing for their allotment and who may prefer to dispose of the same can do so by executing the assignment on the back of the warrant.

The warrants with the form of subscription on the back thereof, properly executed, must be surrendered at the time of making the first payment, viz.: between July 15 and July 31, 1910, inclusive, and if not so returned and the first payment so made the warrant shall be void and of no value.

Upon the payment of the last instalment there will be issued a check for interest at the rate of six per centum per annum on the first instalment from July 1, 1910; on the second instalment from August 1, 1910, and on the third instalment from September 1, 1910, all up to October 15, 1910, which will amount to 25 cents per share.

To subscribers making payment in full between July 15 and July 31, 1910, inclusive, and to those making payment of the last instalment between October 15 and October 31, 1910, inclusive, full paid negotiable stock receipts will be issued for whole shares, exchangeable ten days after payment for stock certificates carrying all dividends declared or payable thereafter.

For fractional shares receipts will be issued upon payments in full, or upon payment of the last instalment between October 15 and October 31, 1910, inclusive. These receipts will not carry any dividend or interest, but will be convertible into shares when the fractions presented make whole shares, provided such conversion is made on or before November 30, 1910. All such fractional receipts that have not been converted into shares and which may be outstanding after November 30, 1910, will be redeemable in cash at their face value without interest, and shall have no other right.

Fractional receipts will pass by delivery.

The right to receive stock shall not accrue to any stockholder under this privilege unless the terms of subscription are fully complied with and payments made at the dates hereinbefore stated, and no subscription or assignment of the privilege will be recognized unless made on the forms provided by the Company.

Warrants will be mailed to stockholders of record as of June 30, 1910, within one week thereafter to the address now recorded in the Secretary's office to which dividends are mailed, and where such address is given in care of Trust Companies, or others, the warrants will be sent to such authorized address for delivery to the stockholders, unless otherwise ordered prior to June 30, 1910.

To guard against mistake or failure in such mailing, every stockholder who does not receive a warrant must call upon the Secretary to deliver the same to him and shall not be excused from not thus demanding the same because of alleged reliance upon the offer to mail the same.

Stockholders who have not authorized an address to which communications may be sent may obtain their warrants upon application at the office of the Secretary of the Company not later than July 31, 1910.

Fractions desired to complete full shares, or fractions which holders desire to dispose of, will not be sold or purchased by the Company.

Checks or drafts for payment of subscription should be drawn in favor of Lehigh Valley Railroad Company, and delivered to the Treasurer of the Company at the above address.

All communications in relation to the foregoing should be addressed to the undersigned.

D. G. BAIRD,

Secretary.

New London Northern Railroad Co.

NEW LONDON, CONNECTICUT, June 23, 1910.

NOTICE

The issue of \$1,500,000 New London Northern Railroad Company Consolidated Mortgage Bonds, maturing on July 1, 1910, will be paid at maturity, at the Mechanics & Metals National Bank in New York City.

New London Northern Railroad Co.

J. C. AVERILL, Treasurer.

Referring to the above notice, we have bought of the New London Northern Railroad Company \$1,500,000 First Mortgage 4% bonds dated July 1st, 1910, due July 1st, 1940, a large portion of which have already been sold, and we offer the unsold balance to the present holders of the maturing bonds.

Price and full particulars of the new issue on application.

KIDDER, PEABODY & CO., STRONG, STURGIS & CO.,

115 Devonshire St., Boston, Mass. 56 Wall St., New York.

30 Broad Street, New York.

STEEL CARS ON THE P. R. R.

Nearly 2,000 Non-Collapsible Ones in Use or Ordered.

The Pennsylvania Railroad announced yesterday that it has in service or ordered nearly two thousand all steel passenger cars. These cars have been added to the passenger equipment since June, 1909, when it was announced that all future additions to passenger equipment on the system would be of all steel construction.

The Pullman Company is constructing steel sleeping and parlor cars to equip the entire Pennsylvania system. These cars are being delivered at the rate of from fifty to sixty a month. Already there are in service on through trains twenty-five sleepers and five combined parlor and baggage cars. When the present order is completed there will be in service on the Pennsylvania system some six hundred all steel Pullman cars.

The steel passenger cars on the Pennsylvania Railroad are of the non-collapsible type, with a girder twenty-four inches wide by nineteen inches deep, extending the length of the coach. The girder in collision prevents telescoping. A car contains only about 120 pounds of wood, used for window frames and arm rests in the seats. With the 724 steel cars in use at present, and the 1,204 cars on order, the Pennsylvania system will soon have available for use on its lines east and west of Pittsburgh and Erie a total of 1,928 solid steel passenger equipment cars.

Business Troubles.

Sol J. Baum, dealer in stationery and art goods at 1 West Forty-second street, has made an assignment to Joseph M. Clum.

Clumens A. Kracht, residing at 317 West 115th street, formerly a real estate broker, is said to have filed in bankruptcy with liabilities \$5,671 and nominal assets \$500 on a note, the maker of which says it is a forgery. He filed the petition to get rid of a judgment for \$5,071 obtained against him on May 3 by Morris Meyer for breach of promise of marriage.

A creditors' petition in bankruptcy has been filed against Manek's, a corporation, dealer in clocks and suits at 44 West Fourteenth street. Liabilities are \$10,000 and assets \$3,000.

There was an echo of the collapse of the Hocking pool yesterday when a petition in bankruptcy was filed against La Guillemette, a partner in the Hocking pool, a creditor on an assigned claim of Raymond Fynchon & Co., stock brokers, for the purchase by them of 500 shares of 500 shares of Hocking.

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